



# City of Peoria

419 Fulton Street  
Peoria, IL 61602

## Council Communication

Agenda Date : 7/23/2019

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File #: 19-236, Version: 2

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**ACTION REQUESTED:**

Communication from Councilman Montelongo with a Request to APPROVE the Following:

- A) ADOPT an ORDINANCE Amending the CITY OF PEORIA 2019 REVISED ANNUAL BUDGET Relating to the Use of the General Fund Balance to Provide Funding to Subsidize the Discount on the Purchase of RING SECURITY EQUIPMENT in the Amount of \$50,000.00;
- B) A SOLE SOURCE CONTRACT with RING to Subsidize the Discount on the Purchase of RING Security Equipment, with a 50/50 Contribution from RING and the City of Peoria in an Amount Up to \$50,000.00 Each.

**BACKGROUND:** Ring, LLC is an internet-connected security company that provides equipment such as video doorbells, security cameras, and alarm systems that link to owner's smartphone and other devices. This equipment enables the owner to see, hear, and speak with visitors from remote locations. This collaboration will enable residents to procure RING equipment at a discounted rate and enhance the security and safety of the community. Ring will match a \$50 CITY OF PEORIA contribution per household to the subsidy, which will generate a discount of \$100 on the sale of 1,000 package or individual equipment purchases - limit one to household.

The City is currently still in negotiations with RING with primary challenges around the City obligation to validate residency and the ability to audit RING's invoice at the end of the program.

Attachments include 1) standard RING Subsidy agreement template, 2) Our current proposal under review as of submission of this agenda, and 3) a sample flyer for the program from another city

**FINANCIAL IMPACT:** Cost of \$50,000.00

**NEIGHBORHOOD CONCERNS:** N/A

**IMPACT IF APPROVED:** Increased security information to residents and safety services. Reduced crime and increased solve rate on crimes.

**IMPACT IF DENIED:** Same level of information, crime and identification of criminals.

**ALTERNATIVES:** N/A

**EEO CERTIFICATION NUMBER:**

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Safe Peoria
2. Financially Sound City

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**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

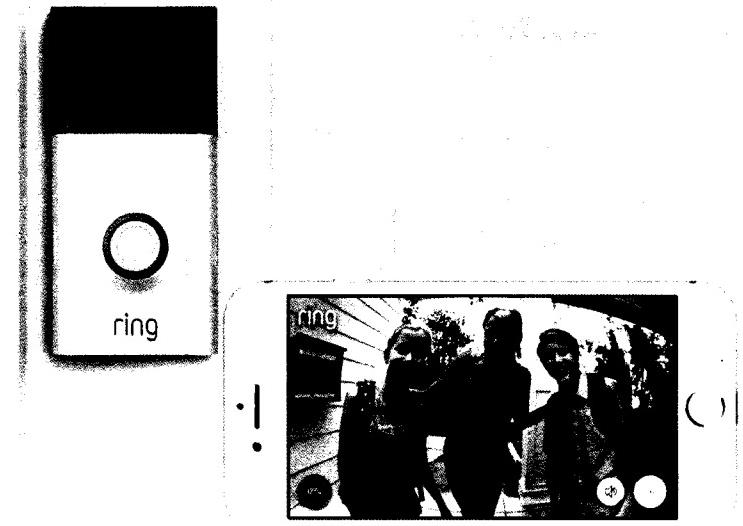
1. Reduce crime.
2. Have an efficient government.

**DEPARTMENT:** City Manager's Office

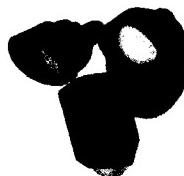
# With Ring, you're Always Home.

Starting Sunday, April 8th, 2018, at the Emergency Preparedness Fair, Alhambra residents can receive up to \$100 off a Ring Video Doorbell or Security Camera.

Visit [www.alhambracitynews.com](http://www.alhambracitynews.com) or email [ring@cityofalhambra.org](mailto:ring@cityofalhambra.org) for more information.



Ring Home Security Products



#### Video Doorbell 2

Normally \$199  
Subsidy Price \$99

Rechargeable battery pack and convenience that works on any home

#### Features

Motion Detection  
1080p HD Video  
Night Vision  
Rechargeable Battery Pack  
Easy Install

#### Warranty

1 year on parts  
Lifetime purchase protection

## **SUBSIDY PROGRAM AGREEMENT**

This Subsidy Program Agreement (“Agreement”) is made and entered into as of the last signature date set forth below, by and between the City of [REDACTED], a [REDACTED] municipal corporation (“City”) and Ring LLC, a Delaware limited liability company (“Ring”). City and Ring are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

### **RECITALS**

WHEREAS, Ring produces security cameras, video doorbells and alarm systems for residential use which link smartphone users to their devices.

WHEREAS, with this technology, the homeowner has the capability to see, hear and speak to visitors through their smartphones, tablets or desktops.

WHEREAS, the City desires to collaborate with Ring to establish a subsidy program whereby City residents can purchase Ring’s security cameras, video doorbells and alarm systems for use at residences within the City at a discounted price to enhance security and safety in the community.

WHEREAS, the subsidy program will be operated on a first-come-first-served basis.

WHEREAS, the subsidy program will be administered separate and apart from any other program or agreement between Ring and the City (or any agency or subdivision thereof), including, without limitation, any law enforcement agency's participation in Ring's Neighbors application.

WHEREAS, the City finds that the dedication of public funds under this Agreement will serve the safety of City residents, an issue of important public purpose.

### **OPERATIVE PROVISIONS**

**NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:**

1. **Recitals are Part of Agreement.** The preceding Recitals are part of this Agreement.
2. **Ring Obligations.** Ring agrees to do the following in furtherance of this Agreement:
  - a. Ring will collaborate with the City on the distribution and marketing of the [Ring Video Doorbell 2, Ring Video Doorbell Pro, Ring Spotlight Cam Wired, Ring Spotlight Cam Battery, Ring Floodlight Cam, Ring

Alarm, Ring Spotlight Cam Solar, Ring Stick Up Cam Wired and Ring Stick Up Cam Battery] (each, a “Product” and collectively, the “Products”) to residents of City (“Residents”).

- b. During the Subsidy Period (as defined below), Ring will directly provide [xx] unique subsidy codes (“Subsidy Codes”) to Residents with a [xx] Dollar (\$xx) discount off the sales price for one (1) of the Products at checkout.

Each Resident is entitled to only one Subsidy Code. Each Subsidy Code may only be used once per household. Only codes sent to the resident through Ring communications channels will be valid. Subsidy Codes shall only be redeemable for Products being sold at full price, and may not be redeemed for Products that are on sale or are otherwise being offered at a discount. Subsidy Codes may not be combined with any other offer.

- c. During the Subsidy Period, the Subsidy Code may be redeemed for (i) a discount of [xx] Dollars (\$xx) per product to apply towards the purchase of any additional Products with a limit of [xx] additional Products per checkout and (ii) a [xx] percent (xx%) discount towards any accessory listed on the company’s website with a limit of [xx] accessories at checkout. Such discounts shall only be redeemable for Products being sold at full price, and may not be redeemed for Products that are on sale or are otherwise being offered at a discount.
- d. Ring will fulfill orders for Products when Residents provide information and payment required using the information required for Ring to complete delivery of the Product (including name, address, email address, etc.). Standard delivery shall be in accordance with Ring’s then-existing shipping policies. Ring will use commercially reasonable efforts to ship the Products within three (3) business days from date the order was placed.
- e. Ring will provide product and user support to Residents who purchase Products, including warranty for the security device(s) and, if the resident chooses to, the option to hire someone to install the device(s). These options will be provided at checkout at the user’s expense.
- f. Ring will provide marketing support and materials for City to distribute to Residents, such as brochures and flyers.
- g. Ring shall contribute [xx] Dollars (\$xx) of the [xx] Dollar (\$xx) discount specified in section 2.b above.
- h. Within thirty days after the end of the Subsidy Period, Ring will provide the City with an accounting statement (the “Accounting Statement”)

setting forth the number of Products purchased using the Subsidy Code during the Subsidy Period and such other information reasonably requested by City to enable the Parties to determine the City's required City contribution amount, as specified in Section 3.a below.

3. **City Obligations.** The City agrees to do the following in furtherance of this Agreement:

- a. Within thirty (30) days of its receipt of the Accounting Statement from Ring, City shall pay Ring an amount equal to [xx] Dollars (\$xx) of the [xx] Dollar (\$xx) discount specified in section 2.b above for the first Product sold to each Resident household during the Subsidy Period using a Subsidy Code. No other Product is eligible for a City contribution. The maximum contribution payable by the City to Ring under this Agreement shall not exceed [xx] Dollars and no cents (\$[xx]) (the "Maximum Contribution").
- b. During the Subsidy Period, the City agrees to make reasonable efforts to promote the program provided in this Agreement on the City's website, social media platforms, such as Facebook and Twitter; issue press release(s), and/or have brochures and flyers available at City Hall for the public. The Parties shall agree to a joint press release to be mutually agreed upon by the Parties. The City agrees it shall not issue any press release related to the program without Ring's prior written consent. All press releases issued by the City shall be made available to the public on the City's website, social media platform, or other platform as approved by Ring.
- c. The City shall be responsible for verifying the residency and eligibility of Residents. Notwithstanding the foregoing, in no event shall the City impose any requirements or restrictions on any Resident's use of the Products (e.g., City shall not require Residents provide recordings captured by the Products to the City or any agency or subdivision thereof, including local law enforcement), whether as part of a Resident's eligibility or otherwise.

4. **Subsidy Period.** The "Subsidy Period" shall commence on a date mutually agreed by the Parties and shall expire upon the earlier of the following:

- a. Forty-five (45) days after the commencement of the Subsidy Period; or
- b. The Maximum Contribution has been reached.

5. **Termination.** Each of the City and Ring reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party, except that where termination is due to the fault of the

non-terminating party, the period of notice may be such shorter time as may be determined by the terminating party.

**6. Indemnification.**

Ring shall indemnify, defend and hold harmless the City, its officers, officials, employees and volunteers from and against any third party claims, allegations, lawsuits, proceedings, losses, liabilities, damages, judgments, settlements costs or expenses, arising out of Ring's negligence or willful misconduct in connection with performance of this Agreement.

The City shall indemnify, defend and hold harmless Ring, its officers and employees from and against any third party claims, allegations, lawsuits, proceedings, losses, liabilities, damages, judgments, settlements costs or expenses, arising out of City's negligence or willful misconduct in connection with performance of this Agreement.

7. **Limitation of Liability.** In no event will (a) either Party be liable for any loss of data, loss of profits, cost of cover or other special, incidental, consequential, indirect, punitive, exemplary or reliance damages arising from or in relation to this Agreement, however caused and regardless of theory of liability and (b) either Party's aggregate liability for damages or indemnification under this Agreement exceed the Contribution Cap.
8. **Independent Contractor.** Neither the City nor any of its employees shall have any control over the manner, mode or means by which Ring, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Ring's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Ring shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Ring shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Ring in its business or otherwise or a joint venturer or a member of any joint enterprise with Ring.
9. **Governing Law.** This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Ring covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

10. **Notices.** Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and sent by email, in the case of the City, to [ ] and in the case of Ring, to August Cziment at [a@ring.com](mailto:a@ring.com) and [legal@ring.com](mailto:legal@ring.com). Either party may change its email address by notifying the other party of such change.
11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.
12. **Integration; Amendment.** This Agreement is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by Ring and by the City. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.
13. **Severability.** In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.
14. **Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

**[SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date and year first-above written.

**CITY:**

[\_\_\_\_\_]

By: \_\_\_\_\_

Name:

Title:

Date:

**RING:**

RING LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name:

Title:

Date:

Address: 1523 26<sup>th</sup> Street, Santa Monica CA  
90404

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WHEREAS, the subsidy program will be operated pursuant to this agreement.

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and Ring Stick Up Cam Battery (each, a “Product” and collectively, the “Products”) to residents of City (“Residents”).

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  - g. Within thirty days after the end of the Subsidy Period, Ring will provide the City with an accounting statement (the “Accounting Statement”) setting forth the number of Products purchased using the Subsidy Code during the Subsidy Period and such other information reasonably requested by City to enable the Parties to determine the City’s required City contribution amount, as specified in Section 3.a below.
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payable by the City to Ring under this Agreement shall not exceed \$50,000 (the “Maximum Contribution”).

- b. During the Subsidy Period, the City agrees to make reasonable efforts to promote the program provided in this Agreement on the City’s website, social media platforms, such as Facebook and Twitter; issue press release(s), and/or have brochures and flyers available at City Hall for the public. The Parties shall agree to a joint press release to be mutually agreed upon by the Parties. The City agrees it shall not issue any press release related to the program without Ring’s prior written consent. All press releases issued by the City shall be made available to the public on the City’s website, social media platform, or other platform as approved by Ring.
  - c. The City shall be responsible for verifying the residency and eligibility of Residents. Notwithstanding the foregoing, in no event shall the City impose any requirements or restrictions on any Resident’s use of the Products (e.g., City shall not require Residents provide recordings captured by the Products to the City or any agency or subdivision thereof, including local law enforcement or participate in a camera registration or similar program), whether as part of a Resident’s eligibility or otherwise.
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  5. **Termination.** Each of the City and Ring reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days’ written notice to the other party, except that where termination is due to the fault of the non-terminating party, the period of notice may be such shorter time as may be determined by the terminating party.
  6. This section left intentionally blank.
  7. **Limitation of Liability.** In no event will (a) either Party be liable for any loss of data, loss of profits, cost of cover or other special, incidental, consequential, indirect, punitive, exemplary or reliance damages arising from or in relation to this Agreement, however caused and regardless of theory of liability and (b) either Party’s aggregate liability for damages or indemnification under this Agreement exceed the Contribution Cap.

8. **Independent Contractor.** Neither the City nor any of its employees shall have any control over the manner, mode or means by which Ring, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Ring's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Ring shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Ring shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Ring in its business or otherwise or a joint venturer or a member of any joint enterprise with Ring.
9. **Governing Law.** This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.
10. **Notices.** Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and sent by email, in the case of the City, to the Assistant City Manager, Deborah Roethler at [Droethler@peoriagov.org](mailto:Droethler@peoriagov.org) and Corporation Counsel, Donald Leist at [Dleist@peoriagov.org](mailto:Dleist@peoriagov.org) and in the case of Ring, to August Cziment at [a@ring.com](mailto:a@ring.com) and [legal@ring.com](mailto:legal@ring.com). Either party may change its email address by notifying the other party of such change.
11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.
12. **Integration; Amendment.** This Agreement is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by Ring and by the City. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.
13. **Assignment.** City will not assign this Agreement, in whole or in part, without Ring's prior written consent. Any attempt to assign in violation of this section is

void in each instance. Ring may assign this Agreement (or any of its rights and obligations under this Agreement): (a) to any of its affiliates; or (b) in connection with any merger, consolidation, reorganization, sale of all or substantially all of its assets or any similar transaction. All the terms and conditions of this Agreement will be binding upon, will inure to the benefit of, and will be enforceable by the Parties and their respective successors and permitted assigns.

14. **Severability.** In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.
15. **Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date and year first-above written.

**CITY:**

Peoria, IL

By: \_\_\_\_\_

Name:

Title:

Date:

**RING:**

RING LLC

By: \_\_\_\_\_

Name:

Title:

Date:

Address: 1523 26<sup>th</sup> Street, Santa Monica CA 90404